

**ENTERED**

August 06, 2023

Nathan Ochsner, Clerk

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION****FEDERAL TRADE COMMISSION,****Plaintiff,****VS.****ZAAPPAAZ, LLC, *et al.*,****Defendants.**§  
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§**CIVIL ACTION NO. 4:20-CV-02717****ORDER ADOPTING MAGISTRATE’S REPORT AND RECOMMENDATION**

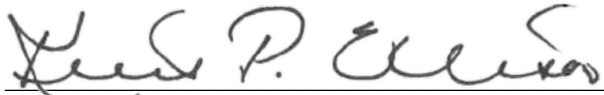
Pending before the Court is the Report and Recommendation (“R & R”) of United States Magistrate Judge Dena Hanovice Palermo. ECF. No. 117. This case was referred to Judge Palermo pursuant to 28 U.S.C. § 636(b)(1)(B) on June 21, 2021. ECF. No. 50

The R & R addresses FTC’s motion for summary judgment, ECF No. 99, Defendants’ motion for partial summary judgment on damages, ECF No. 101, Defendants’ objections to Plaintiff’s summary judgment evidence, ECF No. 102, and Plaintiff’s motion to exclude the testimony of Rosemary Coates, ECF No. 112. Both parties timely filed Objections to Judge Palermo’s R & R, ECF. Nos. 118, 119. Both parties filed a Response, ECF Nos. 124, 125.

As required by 28 U.S.C. § 636(b)(1)(C), the Court has conducted a de novo review of the portions of the R & R to which Plaintiff and Defendants objected. However, the Court agrees with the conclusions, and the reasoning, of the R & R. Accordingly, the Court hereby **ADOPTS** the R & R. Therefore, FTC’s motion for summary judgment is **GRANTED** as to liability and **DENIED** as to damages, Defendant’s motion for partial summary judgment on damages is **DENIED**, FTC’s request for a permanent injunction is **DENIED**, and Plaintiff’s motion to exclude the testimony of Rosemary Coates is **DENIED** as moot.

**IT IS SO ORDERED.**

**SIGNED** in Houston, Texas, on this the 3rd of August, 2023.

A handwritten signature in black ink, appearing to read "Keith P. Ellison", written over a horizontal line.

KEITH P. ELLISON  
UNITED STATES DISTRICT JUDGE